



FRONTIER CAPITAL GROUP LIMITED

ACN 145 105 148

APPENDIX 4E
ASX PRELIMINARY UNAUDITED FINAL REPORT– 31 DECEMBER 2015
(CORRESPONDING PERIOD – YEAR ENDED 31 DECEMBER 2014)

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The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by Frontier Capital Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CORPORATE DIRECTORY**Frontier Capital Group Limited**

(Formally Precious Metal Resources Limited)

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ABN 88 145 105 148

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ASX Code – FCG

Frontier Capital Group Limited shares are listed on the Australian Securities Exchange.

This financial report covers the Consolidated Entity consisting of Frontier Capital Group Limited and its controlled entities.

Frontier Capital Group Limited is a company limited by shares, incorporated and domiciled in Australia.

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015
(PREVIOUS CORRESPONDING PERIOD: YEAR ENDED 31 DECEMBER 2014)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$
Revenue from continuing operations	Up	134,158%	to	2,162,903
Profit/(Loss) after income tax from continuing operations	Down	13.7%	to	(1,600,466)
Net profit/(loss) for the period attributable to members	Down	13.7%	to	(1,600,466)

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	\$Nil	N/A
Interim dividend	\$Nil	N/A

Explanation of revenue and Profit/(Loss) from ordinary activities after tax

The decrease in losses \$1.60 millions (2014: loss \$1.85 millions) was mainly due to the company is consolidating group's existing operations and one overseas business operation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Year Ended 31 December 2015

	Notes	Consolidated	
		2015 \$	2014 \$
Revenue	2	2,162,903	1,611
Other Income and expenses	2	(1,051)	91,527
Cost of providing services and administration expenses	3	(3,599,035)	(947,828)
Finance costs	3	(163,283)	(999,645)
Loss/(profit) before income tax		(1,600,466)	(1,854,335)
Income Tax expense		-	-
Loss/(profit) after tax for the year		(1,600,466)	(1,854,335)
Other Comprehensive Income			
Acquisition Goodwill		-	-
Other comprehensive income for the year net of tax		-	-
Total Comprehensive Income/(loss) attributable to members of the consolidated entity		(1,600,466)	(1,854,335)
		Cents	Cents
Basic earnings/(loss) per share (cents)	7	(2.23)	(2.81)
Diluted earnings(loss) per share (cents)	7	(1.26)	(2.61)

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2015

	Notes	Consolidated	
		2015	2014
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	1,493,141	169,242
Trade and other receivables		1,823,345	105,479
Other current assets		38,614	9,679
Total current assets		<u>3,355,100</u>	<u>284,400</u>
Non-current assets			
Trade and other receivables		-	20,670
Mining tenements		-	109,285
Financial assets		2,824,681	-
Equipment		246,655	565
Non-current intangible assets		7,965,389	799,998
Total non-current assets		<u>11,036,725</u>	<u>930,518</u>
Total Assets		<u>14,391,825</u>	<u>1,214,918</u>
LIABILITIES			
Current liabilities			
Trade and other payables		1,372,700	1,414,344
Financial liabilities		85,623	-
Employee benefits provision		-	-
Total current liabilities		<u>1,458,323</u>	<u>1,414,344</u>
Non-current liabilities			
Employee benefits provision		-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>1,458,323</u>	<u>1,414,344</u>
Net Assets		<u>12,933,502</u>	<u>(199,426)</u>
EQUITY			
Issued capital		16,494,401	3,966,667
Reserves		2,385,192	179,532
Accumulated losses		(5,946,091)	(4,345,625)
Total Equity		<u>12,933,502</u>	<u>(199,426)</u>

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2015

Consolidated	Issued Capital	Option Reserves	FX Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
At 1 January 2015	3,966,667	179,532	-	(4,345,625)	(199,426)
Share issued	11,500,000	-	-	-	11,500,000
Share issued – in lieu of services	90,000	-	-	-	90,000
Debt conversion	1,100,000	-	-	-	1,100,000
Share issuing cost	(162,266)	-	-	-	(162,266)
Issued option	-	2,245,625	-	-	2,245,625
Profit/(loss) for the year	-	-	-	(1,600,466)	(1,600,466)
Movement for the year	-	-	(39,965)	-	(39,965)
At 31 December 2015	16,494,401	2,425,157	(39,965)	(5,946,091)	12,933,502
Balance at 1 January 2014	3,673,965	179,532	-	(2,491,290)	1,362,207
Share issued	300,000	-	-	-	300,000
Share issuing cost	(7,298)	-	-	-	(7,298)
Loss for the year	-	-	-	(1,854,335)	(1,854,335)
Balance at 31 December 2014	3,966,667	179,532	-	(4,345,625)	(199,426)

The above statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASHFLOW
for the Year Ended 31 December 2015

	Notes	Consolidated	
		2015	2014
		\$	\$
Cash flows from operating activities			
Receipts from customers		2,143,942	-
Payments to suppliers and employees		(2,524,152)	(843,691)
Interest paid		(11,409)	(35)
Interest received		18,961	1,611
Net cash used in operating activities		(372,658)	(842,115)
Cash flows from investing activities			
Payments for investments		(2,824,681)	(21,380)
Payment for equipment		(532,497)	-
Repayment/from other parties		-	532,789
Advance from other party		-	-
Net cash provided by investing activities		(3,357,178)	511,409
Cash flows from financing activities			
Proceeds from issue of shares		4,090,000	300,000
Share issuing cost		(162,265)	(7,298)
Proceed from issue of option		26,000	-
Proceed from borrowing		1,100,000	-
Net cash provided by used in financing activities		5,053,735	292,702
Net (decrease)/increase in cash held		1,323,899	(38,004)
Cash and cash equivalents at the beginning of the year		169,242	207,246
Cash and cash equivalents at the end of the year	5	1,493,141	169,242

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 December 2015

1 ACCOUNTING POLICIES, ESTIMATION METHODS AND MEASUREMENT BASIS

Accounting policies, estimation methods and measurement bases used in this Appendix 4E are the same as those used in the last annual report and the last half year report.

2 REVENUE FROM CONTINUING OPERATIONS

	Consolidated	
	2015	2014
	\$	\$
Revenue		
Sales	2,143,942	-
Interest income	18,961	1,611
	2,162,903	1,611
Other Income and expenses		
Expenses recovery	-	91,527
Gain on disposal of investment	(8,755)	-
Others	7,704	-
	(1,051)	91,527

3 EXPENSES

	Consolidated	
	2015	2014
	\$	\$
Consultancy and professional fees	(457,092)	(141,205)
Director and employee expenses	(842,065)	(145,733)
Exploration expenditures not capitalised	(889,706)	(139,638)
Finance costs		
Bank charges/facilities fee	(37,046)	(16,132)
Interest	(35,479)	(87,387)
Loss on disposal of investment	-	(895,890)
Depreciation	(90,758)	(236)
	(163,283)	(999,645)

4 DIVIDENDS

The Directors do not recommend a dividend relating to the year ended 31 December 2015 (2014: \$nil) to be paid.

5 CASH AND CASH EQUIVALENTS

	Consolidated	
	2015	2014
	\$	\$
Cash at bank and on hand	633,141	149,242
Deposits held in trust	860,000	20,000
	1,493,141	169,242

NOTES TO THE FINANCIAL STATEMENTS CONTINUED**6 RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Consolidated	
	2015	2014
	\$	\$
Profit/(Loss) for the year	(1,600,466)	(1,854,335)
Share base payment	90,000	-
Capitalisation of exploration expenditures	889,706	466,545
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(78,686)	454,763
(Increase)/Decrease in other current assets	(28,935)	(9,679)
Increase/(Decrease) in trade and other creditors and provisions	1,101,039	100,591
(Increase) in deferred tax assets	-	-
Increase in deferred tax liabilities	-	-
Net cash used in operating activities	(372,658)	(842,115)

7 EARNINGS PER SHARE

	Consolidated	
	2015	2014
	Cents	Cents
Basic earnings/(loss) per share	(2.23)	(2.81)
Fully diluted earnings/(loss) per share	(1.26)	(2.61)
	2015	2014
	\$	\$
Profit/(loss) from continuing operations used in calculating basic and fully diluted earnings per share	(1,600,466)	(1,854,335)
	2015	2014
	Number of Shares	Number of Shares
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share:	71,800,000	65,958,333
Adjustments for calculation of diluted earnings per share:		
Options	55,500,000	5,000,000
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	127,300,000	70,958,333

NOTES TO THE FINANCIAL STATEMENTS continued**8 CONTINGENT LIABILITIES AND COMMITMENT****Guarantees**

Cross guarantees by Frontier Capital Group Limited and its wholly owned controlled entities exist in respect of loans. No deficiency of assets exists in the consolidated entity as a whole. No material losses are anticipated in respect of any of the above contingent liabilities.

Commitments

There are no material commitments as at the date of the report on minimum exploration expenditure commitments and lease payments on the Company's exploration tenements.

9 EVENTS OCCURRING AFTER REPORTING DATE

On 21 January 2016, shareholders approved the acquisition of Stotsenberg Leisure & Hotel Corporation (**Stotsenberg**), consisting of the Stotsenberg Hotel and Casablanca Casino, both located at Clark Freeport Zone, Philippines.

Stotsenberg consists of Hotel Stotsenberg and Casablanca Casino. It is located at Clark, a sprawling, cosmopolitan metropolis that offers many places of interests and a host of events and activities accessible to a wide spectrum of tourists and visitors.

The Company received a valuation of PHP 697,089,000 (AU\$20,977,701) from Colliers International for the land and buildings value alone.

Elxcite Gaming and Entertainment Inc have been appointed managers of Stotsenberg and have provided a US\$25 million profit guarantee over 5 years.

The Company issued 154,050,000 FPO shares to the Vendors and 28,440,000 FPO shares and 113,760,000 Performance Shares, which will convert to FPO shares as the Profit Guarantee is met, to Elxcite.

The FPO shares were issued at AU\$0.2377 per share.

The Company issued a Prospectus dated 7 January 2016 and recompiled with Chapters 1 and 2 of the ASX Listing Rules. The Company was suspended from trading on 21 January 2016 pending shareholder approval and re-compliance with Chapters 1 and 2 of the Listing Rules. It was reinstated to trading on 10 February 2016.

Mongolian National Lottery

The Company received Notice pursuant to the Share Sale Agreement to acquire the licence to operate the Mongolian National Lottery (Agreement) that a number of the Conditions Precedent will not be satisfied within the period provided for in the Agreement.

The Agreement provides that the Conditions Precedent cannot be waived and the Company and the Vendor have agreed that the Agreement be terminated.

The Company has advanced A\$1,500,000 toward the Cash Consideration. The termination will be effective upon receipt of A\$1,500,000 from the Vendor.

At the date of this report there are no matters or circumstances, other than noted above, which have arisen since 31 December 2015 that has significantly affect or may significantly affect:

- The operations, in the financial year subsequent to 31 December 2015 of the Group;
- The results of those operations;
- The state of affairs, in the financial year subsequent to 31 December 2015 of the Group.

10 SEGMENT NOTE

The consolidated entity operates predominately in one business and one geographical segment being providing technical services in Malaysia.

SUPPLEMENTARY APPENDIX 4E INFORMATION**NTA Backing**

	31/12/2015	31/12/2014
Net tangible asset backing per ordinary share	5.66 cents	(1.17) cents

Controlled entities acquired during the period

One wholly controlled entity, CK Graphic SDN BHD, have been acquired during the reporting period.

Loss of control of entities during the period

No entities was disposed during the reporting period.

Subsequent Events

There have been no other events subsequent to reporting date which affects the results contained in this report or the continuing operations of the Group. Please refer note 9 for details.

Accounting Standards

Australian Accounting Standards have been used in the preparation of this report.

Commentary on results

The consolidated entity has a long term strategic investment in one business operation in Malaysia and revenue has been received from sales of equity investments. The increase in revenue is consistent with the new investment in Malaysia.

Other Significant Information

All significant information in relation to the financial performances and position of the Company has been disclosed in the attached report.

Returns to shareholders

No distributions/dividend this year. The Company has no dividend reinvestment plan.

Results of segments

The consolidated entity operates predominately in one business and one geographical segment being investment in commercial properties, mining and resources within Australia.

Audit Report

This report is based upon financial statements which are in the process of being audited, and therefore no audit report has been attached.